Thailand Tells Lorillard To Turn Out Cigars There, Not Cigarets

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But, Loew's Unit States, It Is, Or Was Until Thais Altered Ruling; Deadline Is Year-End

A WALL STREET JOURNAL *News Roundup*

Thailand ordered Lorillard Corp. to close what it called the company's cigaret-making operations there by Dec. 31, the Associated Press reported.

And, the AP said, the Thais told Lorillard that it could continue in Thailand only if it switched its entire production into cigars. Cigaret production is a government monopoly in Thailand.

Lorillard, a Loew's Theatres Inc. subsidiary, responded that its Thai operations have been making little cigars, rather than cigarets.

The conflict apparently is partly over what is a little cigar.

A Lorillard spokesman said that last May Thailand granted a Lorillard-linked company licenses and permits to produce little cigars similar to those made in the U.S.

But, the spokesman said, early this month and "subsequent to this (the May licensing) and after our investment in plant and equipment, the government passed a law redefining 'little cigars' as cigarets. Since all cigaret making in Thailand is a government monopoly, the new law forces Lorillard to cease production by the end of the year.

"We believe this type of action could cause great concern about future American investment in Thailand."

What motivated the Thais to change the law wasn't immediately clear.

Little cigars are the same length and thickness as cigarets but generally contain tobaccos used in conventional cigars, wrapped in dark brown paper or tobacco leaf. Cigar tobaccos are more alkaline than cigaret tobacco blends, making the smoke stronger in inhalation.

However, tobacco companies in some countries such as Britain have begun to use cigaret blends in their little cigars, apparently to attract cigaret smokers while avoiding advertising strictures against cigarets prompted by the smoking-and-health controversy.

Little cigars containing cigar tobaccos are believed by industry sources to compete with cigarets to some extent, suggesting one possible reason for the Thai government's move, according to industry experts.

Lorillard's latest proxy statement says it is represented in Thailand by P. Lorillard (Asia) Ltd., a subsidiary of P. Lorillard Ltd., which, in turn, is half owned by Lorillard Corp. and half by onetime officers of the former United Tobacco Co. The Lorillard spokesman declined to state the size of the Thai operation.

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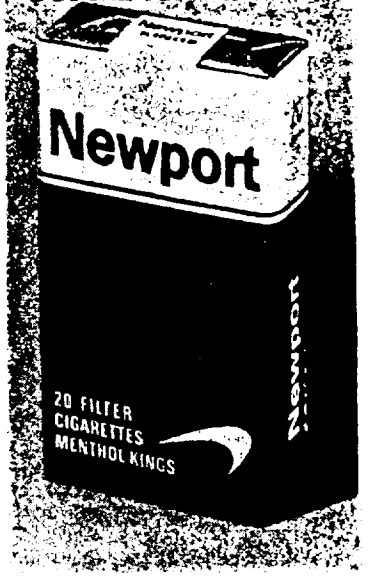
New Package For Newports

The Retail Tobacco
December, 1968



A new Newport package is being introduced by Lorillard Corporation. The new package, currently entered in East Coast markets and due to expand "routinely" across the nation, has a deeper blue color, with variably spaced horizontal black accent lines. Lorillard called it "a more contemporary graphic, with greater visibility for the name." Inside, a cork paper tip has been added.

Lennen & Newell is the agency for Newport. The brand's advertising theme: "Newport smoothes and refreshes your taste", has not been affected.

Newport is sold in king size, crushproof box and 100mm.

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